

**July 9, 2003**

Mr. Werner Gondosch  
Pernod Ricard USA, Seagram Lawrenceburg Distillery  
P.O. Box 7  
7 Ridge Avenue  
Lawrenceburg, Indiana 47025

Re: 029-17711  
Minor Source Modification to:  
Part 70 permit No.: T029-6929-00005

Dear Mr. Gondosch:

Pernod Ricard USA, Seagram Lawrenceburg Distillery, located at 7 Ridge Avenue, Lawrenceburg, Indiana 47025 was issued Part 70 operating permit T029-6929-00005 on June 28, 2002 for a stationary distillate spirits production source. An application to modify the source was received on May 12, 2003. The change qualifies as a minor source modification since its VOC potential to emit is greater than 10 tons per year but less than 25 tons per year, under 326 IAC 2-7-10.5(d)(4)(B). Pursuant to 326 IAC 2-7-10.5 the following emission units are approved for construction at the source:

- (a) Expansion of the whiskey bottling lines production capability, which includes:
  - (1) Installation of one (1) 16,000 gallon and three (3) 8,000 gallon tanks. These new tanks will allow the capacities of Bottling Tank Room, EU-51 and Bottling Lines, EU-52 to increase from 16,000,000 proof gallons (PG) to 18,500,000 proof gallons (PG).

The following construction conditions are applicable to the proposed project:

- General Construction Conditions
  - 1. The data and information supplied with the application shall be considered part of this source modification approval. Prior to any proposed change in construction which may affect the potential to emit (PTE) of the proposed project, the change must be approved by the Office of Air Quality (OAQ).
  - 2. This approval to construct does not relieve the permittee of the responsibility to comply with the provisions of the Indiana Environmental Management Law (IC 13-11 through 13-20; 13-22 through 13-25; and 13-30), the Air Pollution Control Law (IC 13-17) and the rules promulgated thereunder, as well as other applicable local, state, and federal requirements.
- Effective Date of the Permit
  - 3. Pursuant to IC 13-15-5-3, this approval becomes effective upon its issuance.
- 4. Pursuant to 326 IAC 2-1.1-9 and 326 IAC 2-7-10.5(i), the Commissioner may revoke this approval if construction is not commenced within eighteen (18) months after receipt of this approval or if construction is suspended for a continuous period of one (1) year or more.

5. All requirements and conditions of this construction approval shall remain in effect unless modified in a manner consistent with procedures established pursuant to 326 IAC 2.
6. Pursuant to 326 IAC 2-7-10.5(l) the emission units constructed under this approval shall not be placed into operation prior to revision of the source's Part 70 Operating Permit to incorporate the required operation conditions.

The source may begin construction when the source modification has been issued. The source must comply with the requirements of 326 IAC 2-7-10.5(l)(2) and 326 IAC 2-7-12 before operation of any of the proposed emission units can begin.

This decision is subject to the Indiana Administrative Orders and Procedures Act - IC 4-21.5-3-5. If you have any questions on this matter call (800) 451-6027, press 0 and ask for Aida De Guzman or extension (3-4972), or dial (317) 233-4972.

Sincerely,

Paul Dubenetzky, Chief  
Permits Branch  
Office of Air Quality

Attachments

APD

cc: File - Dearborn County  
Dearborn County Health Department  
Air Compliance Section Inspector - Patrick Burton  
Compliance Data Section - Karen Nowak  
Administrative and Development  
Technical Support and Modeling - Michele Boner

**MINOR SOURCE MODIFICATION TO A PART 70  
SOURCE  
OFFICE OF AIR QUALITY**

**Pernod Ricard USA, Seagram Lawrenceburg Distillery  
7 Ridge Avenue  
Lawrenceburg, Indiana 47025**

(herein known as the Permittee) is hereby authorized to operate subject to the conditions contained herein, the source described in Section A (Source Summary) of this permit.

This permit is issued in accordance with 326 IAC 2 and 40 CFR Part 70 Appendix A and contains the conditions and provisions specified in 326 IAC 2-7 as required by 42 U.S.C. 7401, et. seq. (Clean Air Act as amended by the 1990 Clean Air Act Amendments), 40 CFR Part 70.6, IC 13-15 and IC 13-17.

1 <sup>st</sup> Minor Source Modification No.: 029-17711-00005	
Issued by:Original signed by Paul Dubenetzky Paul Dubenetzky, Chief Permit Branch Office of Air Quality	Issuance Date: July 9, 2003

## **SECTION D.2                      FACILITY OPERATION CONDITIONS**

### **Facility Description [326 IAC 2-7-5915)]**

- (a) Expansion of the whiskey bottling lines production capability, which includes;
  - (1) Installation of one (1) 16,000 gallon and three (3) 8,000 gallon tanks. These new tanks will allow the capacities of Bottling Tank Room, EU-51 and Bottling Lines, EU-52 to increase from 16,000,000 proof gallons (PG) to 18,500,000 proof gallons (PG).

(The information describing the process contained in this facility description box is descriptive information and does not constitute enforceable conditions.)

### **Emission Limitations and Standards [326 IAC 2-7-5(1)]**

There are no applicable requirements for this modification.



## **Indiana Department of Environmental Management Office of Air Quality**

### **Technical Support Document (TSD) for a Minor Source Modification and a Minor Permit Modification to a Part 70 Source**

#### **Source Background and Description**

<b>Source Name:</b>	Pernod Ricard USA, Seagram Lawrenceburg Distillery		
<b>Source Location:</b>	7 Ridge Avenue, Lawrenceburg, Indiana 47025		
<b>County:</b>	Dearborn		
<b>SIC Code:</b>	2085		
<b>Operation Permit No.:</b>	029-6929-00005	<b>Issuance Date:</b>	June 28, 2002
<b>Minor Source Modification No.:</b>	029-17711		
<b>Minor Permit Modification No.:</b>	029-17382		
<b>Permit Reviewer:</b>	Aida De Guzman		

The Office of Air Quality (OAQ) has reviewed a Part 70 permit application from Pernod Ricard USA, Seagram Lawrenceburg Distillery relating to the expansion of the whiskey bottling lines production capability, which includes;

- (a) Installation of one (1) 16,000 gallon and three (3) 8,000 gallon tanks. These new tanks will allow the capacities of Bottling Tank Room, EU-51 and Bottling Lines, EU-52 to increase from 16,000,000 proof gallons (PG) to 18,500,000 proof gallons (PG).

#### **Recommendation**

The staff recommends to the Commissioner that the Part 70 permit be approved. This recommendation is based on the following facts and conditions:

Unless otherwise stated, information used in this review was derived from the application and additional information submitted by the applicant.

An application for the purposes of this review was received on May 12, 2003 and June 10, 2003 for the Minor Permit Modification. Additional information was received on June 4, 2003.

#### **Emission Calculations**

See Page 1 of 1 TSD Appendix A for detailed emission calculations.

#### **Potential To Emit**

Pursuant to 326 IAC 2-1.1-1(16), Potential to Emit is defined as "the maximum capacity of a stationary source to emit any air pollutant under its physical and operational design. Any physical or operational limitation on the capacity of a source to emit an air pollutant, including air pollution control equipment and restrictions on hours of operation or type or amount of material combusted, stored, or processed shall be treated as part of its design if the limitation is enforceable by the U. S. EPA."

This table reflects the PTE before controls. Control equipment is not considered federally enforceable until it has been required in a federally enforceable permit.

Pollutant	Potential To Emit (tons/year)
PM	0.0
PM-10	0.0
SO <sub>2</sub>	0.0
VOC	11.44
CO	0.0
NO <sub>x</sub>	0.0

Note: For the purpose of determining Title V applicability for particulates, PM-10, not PM, is the regulated pollutant in consideration.

### Justification for Modification

- (a) The Part 70 source is being modified through a Part 70 Minor Source Modification, pursuant to 326 IAC 2-7-10.5(d)(4)(B) since the volatile organic compounds (VOC) are greater than 10 tons per year but less than 25 tons per year. Therefore, the source is subject to the provisions of 326 IAC 2-7.

### Actual Emissions

The following table shows the actual emissions from the source. This information reflects the OAQ emission data for the year 2001.

Pollutant	Actual Emissions (tons/year)
PM	39.0
PM-10	39.0
SO <sub>2</sub>	687.0
VOC	391.0
CO	17.0
NO <sub>x</sub>	541.0
Lead	0.01

### Source Status

Existing Source PSD or Part 70 Definition (taken from Part 70 permit T029-6929-00005, issued on June 28, 2002 - emissions after control).

Pollutant	Actual Emissions (tons/year)
PM	258.0
PM-10	56.0
SO <sub>2</sub>	1669.0
VOC	2533
CO	551
NO <sub>x</sub>	971
HAPs	23.5

- (a) The existing source is a major stationary source because at least one attainment regulated pollutant is emitted at a rate of 250 tons per year or more, and it is not one of the 28 listed source categories.

## Potential to Emit After Issuance

The table below summarizes the potential to emit, reflecting all limits, of the significant emission units after controls. The control equipment is considered federally enforceable only after issuance of this Part 70 operating permit.

	Potential to Emit (tons/year)						
Process/facility	PM	PM-10	SO <sub>2</sub>	VOC	CO	NO <sub>x</sub>	HAPs
EU-51 (Bottling Room)	0.0	0.0	0.0	6.85	0.0	0.0	0.0
EU-52 (Bottling Line)	0.0	0.0	0.0	4.59	0.0	0.0	0.0
Emissions Due to Modification	0.0	0.0	0.0	11.44	0.0	0.0	0.0
PSD Threshold Levels	25	15	40	40	100	40	-

Existing Source PTE	258.0	56.0	1669.0	2533	551	971	23.5
Source PTE After Issuance of the Modification	258.0	56.0	1669.0	2544.4	551	971	23.5

## County Attainment Status

The source is located in Dearborn County.

Pollutant	Status
PM-10	attainment
SO <sub>2</sub>	attainment
NO <sub>2</sub>	attainment
Ozone	attainment
CO	attainment
Lead	not determined

- (a) Volatile organic compounds (VOC) are precursors for the formation of ozone. Therefore, VOC emissions are considered when evaluating the rule applicability relating to the ozone standards. Dearborn County has been designated as attainment or unclassifiable for ozone. Therefore, VOC emissions were reviewed pursuant to the requirements for Prevention of Significant Deterioration (PSD), 326 IAC 2-2.
- (b) Dearborn County has been classified as attainment or unclassifiable for all the other criteria pollutants. Therefore, these emissions were reviewed pursuant to the requirements for Prevention of Significant Deterioration (PSD), 326 IAC 2-2.



### Federal Rule Applicability

- (a) New Source Performance Standards (NSPS) (326 IAC 12 and 40 CFR Part 60)
  - (1) 40 CFR Part 60, Subpart Kb - Standards of Performance for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels) for which Construction, Reconstruction, or Modification commenced After July 23, 1984.

The proposed one (1) 16,000 gallon and three (3) 8,000 gallon tanks are not subject to this NSPS, as these tanks will be used to store beverage alcohol, which made them exempted from this NSPS.
- (b) National Emission Standards for Hazardous Air Pollutants (NESHAPs)(326 IAC 14 and 40 CFR Part 63)
  - (1) There are no National Emission Standards for Hazardous Air Pollutants (NESHAPs) applicable.

### State Rule Applicability -

- (a) 326 IAC 2-2 (Prevention of Significant Deterioration)

The proposed one (1) 16,000 gallon and three (3) 8,000 gallon process tanks are not subject to 326 IAC 2-2, since their VOC potential to emit is less than 40 tons per year.
- (b) 326 IAC 8-1-6 (General Reduction Requirements)

The modification of the existing bottling room known as EU-51 which involves the installation of one (1) 16,000 gallon and three (3) 8,000 gallon tanks is not subject to 326 IAC 8-1-6 since the existing bottling room was constructed in 1969.
- (c) There are no other rules applicable to the proposed one (1) 16,000 gallon and three (3) 8,000 gallon process tanks

### Changes to the Part 70 Permit

- (1) Section A.2 items (v) and (w) of the Part 70 permit will be modified to incorporate the proposed one (1) 16,000 gallon and three (3) 8,000 gallon process tanks as follows:
  - (v) One (1) bottling tank room, known as EU-51, consisting of **forty-five (45) tanks**, forty-one (41) tanks, installed in 1969, four (4) tanks installed in 2003, exhausted to S-510, capacity: ~~412,000~~ **452,000** gallons of ethanol, total. **The installation of these tanks will allow the capacity of bottling tank room to increase from 16,000,000 proof gallons (PG) to 18,500,000 proof gallons (PG).**
  - (w) Seven (7) bottling lines, known as EU-52, installed prior to 1950, and one (1) 50-ml bottling line exhausted to S-520, capacity: ~~7,264 cases per hour~~ **452,000** gallons of ethanol, total. **The installation of new tanks in the bottling tank room, known as EU-51 will allow the capacities of these bottling lines EU-52 to increase from 16,000,000 proof gallons (PG) to 18,500,000 proof gallons (PG).**
- (2) Section D.2 Facility Description Table will be modified to incorporate the changes as follows:

## SECTION D.2

## FACILITY OPERATION CONDITIONS

### Facility Description [326 IAC 2-7-5(15)]:

- (q) One (1) wine room, known as EU-41, consisting of thirty-five (35) tanks, installed prior to 1950, exhausted to S-410, capacity: 467,517 gallons of ethanol, total.
- (r) One (1) tank farm, known as EU-42, consisting of nine (9) tanks, installed prior to 1950, exhausted to S-420, capacity: 750,000 gallons of ethanol, each.
- (s) One (1) Bldg 88, known as EU-43, consisting of twenty-seven (27) tanks and, installed in 1989, exhausted to S-430, capacity: 489,250 gallons of ethanol, total and one (1) rum handling, installed in 1997, exhausted to the atmosphere, capacity: 3,501,429 gallons of rum.
- (t) One (1) regauge tank area, known as EU-44, consisting of forty-seven (47) tanks, installed in 1960, exhausted to S-440, capacity: 445,858 gallons of ethanol, total.
- (u) One (1) mini tank farm, known as EU-45, to consist of nine (9) tanks, seven tanks installed in 1989, exhausted to S-435, capacity: 779,800 gallons of ethanol, total, two (2) gin storage tanks, installed in 1997, capacity: 113,800 gallons of gin, each.
- (v) One (1) bottling tank room, known as EU-51, consisting of **forty-five (45) tanks**, forty-one (41) tanks, installed in 1969, four (4) tanks installed in 2003, exhausted to S-510, capacity: **452,000** gallons of ethanol, total. **The installation of these tanks will allow the capacity of bottling tank room to increase from 16,000,000 proof gallons (PG) to 18,500,000 proof gallons (PG).**
- (w) Seven (7) bottling lines, known as EU-52, installed prior to 1950, and one ~~new~~ (1) 50-ml bottling line exhausted to S-520, capacity: ~~7,264 cases per hour~~ **452,000** gallons of ethanol, total. **The installation of new tanks in the bottling tank room, known as EU-51 will allow the capacities of these bottling lines EU-52 to increase from 16,000,000 proof gallons (PG) to 18,500,000 proof gallons (PG).**
- (x) One (1) cooler operation, known as EU-53, installed prior to 1988, exhausted to S-530, capacity: 2,187 cases per hour.
- (y) One (1) Warehouse C, known as EU-71, installed prior to 1950, exhausted to S-701, capacity: 69,306 barrels.
- (z) One (1) Warehouse E, known as EU-72, installed prior to 1950, exhausted to S-702, capacity: 101,032 barrels.
- (aa) One (1) Warehouse G, known as EU-73, installed prior to 1950, exhausted to S-703, capacity: 84,097 barrels.
- (bb) One (1) Warehouse J & M, known as EU-74, installed prior to 1950, exhausted to S-704, capacity: 100,000 barrels.
- (cc) One (1) Warehouse L, known as EU-75, installed prior to 1950, exhausted to S-705, capacity: 93,438 barrels.
- (dd) One (1) Warehouse N, known as EU-76, installed prior to 1950, exhausted to S-706, capacity: 93,405 barrels.

(The information describing the process contained in this facility description box is descriptive information and does not constitute enforceable conditions.)

## **Emission Limitations and Standards [326 IAC 2-7-5(1)]**

### **D.2.1 PSD [326 IAC 2-2] [40 CFR 52.21]**

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The applicable requirements for these facilities are listed in Sections B and C of this permit.

## **Compliance Requirements**

Permits issued under 326 IAC 2-7 are required to ensure that sources can demonstrate compliance with applicable state and federal rules on a more or less continuous basis. All state and federal rules contain compliance provisions, however, these provisions do not always fulfill the requirement for a more or less continuous demonstration. When this occurs IDEM, OAQ, in conjunction with the source, must develop specific conditions to satisfy 326 IAC 2-7-5. As a result, compliance requirements are divided into two sections: Compliance Determination Requirements and Compliance Monitoring Requirements.

Compliance Determination Requirements in Section D of the permit are those conditions that are found more or less directly within state and federal rules and the violation of which serves as grounds for enforcement action. If these conditions are not sufficient to demonstrate continuous compliance, they will be supplemented with Compliance Monitoring Requirements, also Section D of the permit. Unlike Compliance Determination Requirements, failure to meet Compliance Monitoring conditions would serve as a trigger for corrective actions and not grounds for enforcement action. However, a violation in relation to a compliance monitoring condition will arise through a source's failure to take the appropriate corrective actions within a specific time period.

## **Conclusion**

The operation of these new beverage alcohol tanks shall be subject to the conditions of the attached **Minor Source Modification No.: 029-17711-00005 and Minor Permit Modification No.: 029-17382-00005.**

## Appendix A: Emission Calculations

Page 1 of 1 TSD App A

Company Name: Pernod Ricard USA, Seagram Lawrenceburg  
Source Address: 7 Ridge Ave., Lawrenceburg, IN 47025  
Minor Source Mod.: 029-17711  
Plt ID No.: 029-00005  
Reviewer: Aida De Guzman  
Date Application Recd. May 12, 2003

Facility ID	Maximum Usage (PG/yr)	VOC Emission Factor (lb/1000 PG)	VOC Emission (Lbs/hr)	VOC Emission (Tons/yr)
EU-51 (Bottling Tank Room)	18,500,000	0.741	1.56489726	6.85425
EU-52 (Bottling Lines)	18,500,000	0.496	1.04748858	4.588
TOTAL				11.44225

Emission Factors, were taken from the issued Part 70 permit, which were based on tanks working losses- displacement of the saturated vapor space above alcohol at the highest expected proof,  
Line blowing and agitation losses - based on the volume of air used assuming that the air is completely saturated at the highest expected proof of the product.

## Methodology:

VOC Emissions, lb/hr = Usage, PG/yr \* Ef, lb/1000 PG \* yr/8760 hrs

VOC Emissions, ton/yr = VOC Emissions, lb/hr \* 8760 hrs/yr \* ton/2000 lbs